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November 1, 2004

Kathleen Guith
Federal Election Commission
999 East Street, N.W.
Washington, D.C. 20463

RE: Democratic Party of Wisconsin v. Welch for Wisconsin
MUR 5446
Our File No. 1098-0254

Dear Ms. Guith:

Thank you for granting us a one-week extension to reply to your request for additional information relative to MUR 5446. Our supplemental response is enclosed for your consideration. If you have any additional questions, please do not hesitate to contact me. Thanks.

Very truly yours,

PETERSON, JOHNSON & MURRAY, S.C.

Michael P. Crooks
MPC:taz

Encl.

cc: John Hiller, Welch for Wisconsin

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**SUPPLEMENTAL RESPONSE TO MUR 5446
RELATIVE TO COMPENSATION OF JEANNE WELCH**

A. INTRODUCTION

When our initial response was due, we were in the heart of the campaign, and as a result, did not have time to provide the FEC with the detailed information that we are now able to provide with respect to how and why Jeanne Welch was compensated by the state campaign. A much more comprehensive explanation in this regard is set forth below.

Before getting to the more detailed explanation as to how Jeanne Welch's pay was calculated, I did want to point out to you that while originally, Jeanne Welch contributed \$4,000.00 to her husband's campaign, because of his defeat in the primary, \$2,000.00 was returned to her in September of 2004. As a result, the total amount actually contributed by Jeanne Welch to the campaign was only \$2,000.00.

B. ADDITIONAL INFORMATION

As stated previously, Jeanne Welch was compensated periodically by the Welch State Senate Committee for performing the duties of Assistant Treasurer. Mr. Rathjen was treasurer in name only. Mr. Welch acted generally as his own treasurer, with Jeanne Welch's assistance. She would reconcile the bank statements with the campaign report and keep the checkbook, make sure that bills were paid, deposits made, etc.

Jeanne Welch was compensated as an independent contractor by a monthly amount generally \$100 - \$200 per month depending on how much effort was involved. This was roughly based on \$10/hour for 10-20 hours per month of work.

A payment in November of 2002 was for the first 6 months of 2002, and totaled \$1,200.

4. In the spring of 2002, Senator Welch began to do political consulting through his firm - The Welch Group. He was involved as the general consultant for a candidate for Milwaukee

County Executive and for a candidate for Congress in New York during the period of 3/02 through 11/02. Because of the increased demands on the candidate's time, the Campaign made a decision to increase Jeanne Welch's duties to include finance director and general office manager. Although Senator Welch was not involved in an immediate campaign in 2002, his campaign was still interested in raising money for his expected re-election bid in 2004 and in maintaining his ties to contributors and supports.

As finance director, Jeanne Welch's new duties included dealing with the fundraising team, answering correspondence, answering phone inquiries in the absence of the candidate, getting thank you letters mailed, maintaining a database of contributors and volunteers, in addition to everything she had done before as assistant treasurer.


Jeanne Welch was given an increase in her compensation to reflect her new duties to \$500 per month. She was thus paid from June 2002 through July 2003 at a rate of \$500 per month for approximately 40-50 hours per month of work, for a total of \$6,500. In July of 2003, Senator Welch decided to seek election to the U.S. Senate and the State Campaign account was cleaned up and put into dormancy.

Subsequently, Jeanne Welch assumed similar duties with the Federal campaign and also was compensated for those duties by the Federal campaign. See reports.

The amount of money we are dealing with relative to the complaints involving Jeanne Welch is obviously very small in relation to the total monies involved with the campaign. Despite that, however, the Welch campaign prided itself in dealing above board and not ignoring any of the rules. I believe that we have adequately explained the payments to Jeanne Welch, as well as her legal contributions to her husband's campaign. I would ask that you exercise your discretionary power and recommend dismissal of this complaint. Thank you for your anticipated cooperation.

Dated at Madison, Wisconsin this 15th day of November, 2004.

PETERSON, JOHNSON & MURRAY, S.C.

By: 
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State Bar No. 01008918

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